BUDGET COMMITTEE
UNITED STATES SENATE
Judd Gregg, Chairman
http://budget.senate.gov/republican
Contact: Betsy Holahan (202)224-6011
Jeff Turcotte (202)224-2574
Sam Donoghue (202)224-0529

The Tax Extender Bill Has Become a Multi-Billion-Dollar Lump of Coal in the Taxpayer's Stocking

- The tax extender bill soon to be taken up by the U.S. Senate contains provisions that collectively **add $39.3 billion to the federal deficit over the next five years, and more than $50 billion over the next ten years.**
- **This package busts the budget limits by $17.5 billion over the next five years.**
- This enormous package has essentially become an omnibus appropriations bill, and it is filled with **extraneous earmarks, scorekeeping gimmicks, and special interest loopholes.**
- There are **multiple Budget Act Points of Order lying against this package –** it violates the Budget Scorecard (Pay-Go) for 2006-2010; it contains higher-than-permissible revenue losses; and it contains higher-than-permissible outlays.
- Passing this bloated budget-buster in the final hours of the 109th Congress is **fiscally irresponsible and should be opposed.**

Overall Deficit Impact

	2006-2010
Tax provisions	$33.1 billion
Health provisions	$2.7 billion
Trade provisions	$1.5 billion
AML (deficit impact)	$1.1 billion
Energy provisions	$1.1 billion
OCS	-$0.2 billion
Total Deficit Impact, excluding health	**$39.3 billion**
Budget Scorecard balance (Pay-Go)	$21.8 billion
Difference	**$17.5 billion over the limit**

Some Highlights of Runaway Spending…

Abandoned Mine Land (AML) Fund

- Increases direct spending by $4.9 billion over 10 years; increases deficit by almost $4 billion.

Investment Tax Incentives for the District of Columbia

- Estimated cost is $150 million over five years and $392 million over ten years.

Physician Payment Increase

- 0% update in 2007 is estimated to cost $3.1 billion over five years.

Reduces Medicare Advantage Stabilization Fund

- Reduces the Stabilization Fund by $6.5 billion, leaving $3.5 billion in the fund.

Creates a Physician Assistance and Quality Initiative Fund

- Estimated to cost $1.35 billion over five years.

Health Earmarks

- Tennessee Disproportionate Share Payments - $35 million
- Hawaii Disproportionate Share Payments - $10 million
- Reclassification of Nevada Hospice Medicare providers - $4 million

Health Mandatory Appropriations - $110 million

Makes Permanent the Capital Gains Treatment for Self-Created Musical Works

- Reduces revenues $3 million over five years.

Rum Excise Tax Revenue Sharing with Puerto Rico

- Reduces revenue $184 million over five years.

Cotton Trust Fund

- Spends $32 million over two years to cotton industry.

Special Depreciation for "Cellulosic" Ethanol Plant Property

- Reduces revenues $17 million over five years.

Railroad Track Maintenance Credit

- Estimated cost is $49 million over five years and $49 million over 10 years.

Extends and/or Modifies 13 Energy and Excise Tax Provisions That Do Not Expire Until 2007

- Extends provisions through 2008, increasing the deficit by $1.5 billion.

Extends the 54-Cent-Per-Gallon Tariff on Imported Ethanol for 2 Years, through 2009

- Further subsidizes domestic producers of ethanol who already benefit from federal regulations and the ethanol mandate included in the Energy Policy Act.

Mental Health Parity, Which Should be Legislated Through the HELP Committee

- Bill extends parity for mental health benefits.

Sales Tax Deduction

- The deduction for state & local sales tax makes the tax code less progressive because it benefits generally higher income individuals.